

# Exhibit 5

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2 | UNITED STATES DISTRICT COURT

3 SOUTHERN DISTRICT OF NEW YORK

5 BENJAMIN ASHMORE,

Plaintiff.

-against-

11 Civ 8611  
(JMF)

9       CGI GROUP, INC. AND CGI FEDERAL  
      INC.,

10

11 | Page

13 DEPOSITION of LESLIE PIERCE, taken by  
14 Plaintiff, pursuant to Notice, held at the  
15 offices of Kaiser, Saurborn & Mair, P.C., 111  
16 Broadway, New York, New York, on Thursday, July  
17 25, 2013, commencing at 10:30 a.m., before  
18 Margaret M. Harris, a Shorthand (Stenotype)  
19 Reporter and Notary Public within and for the  
20 State of New York.

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23

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MCM REPORTING SERVICE  
(516) 775-5209

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3 A P P E A R A N C E S:

4

KAISER, SAURBORN & MAIR, P.C.  
5 Attorneys for Plaintiff  
111 Broadway  
6 New York, New York 10006

7

BY: DAVID N. MAIR, ESQ.

8

9 BOND SCHOENECK & KING  
10 Attorneys for Defendants  
111 Washington Avenue  
10 Albany, New York 12210-2211

11

BY: STUART KLEIN, ESQ.

12

13

P R E S E N T:

14

Marybeth Carragher

15

Benjamin Ashmore

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IT IS HEREBY STIPULATED AND  
AGREED that the filing and sealing of  
the within deposition be, and the same  
are hereby waived;

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IT IS FURTHER STIPULATED AND  
AGREED that all objections, except as  
to the form of the question, be and  
the same are hereby reserved to the  
time of the trial;

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IT IS FURTHER STIPULATED AND  
AGREED that the within deposition may  
be sworn to before any Notary Public  
with the same force and effect as if  
sworn to before a Judge of this Court;

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## 7 EXAMINATION

8 BY MR. MAIR:

9 Q Good morning, Mr. Pierce.

10 A Good morning.

11 Q My name is David Mair. I am  
12 representing Ben Ashmore in a lawsuit that has  
13 brought against CGI.

14 I'm going to be taking your  
15 deposition here this morning. Essentially it's  
16 going to involve me asking you a series of  
17 questions which you're going to answer.

18 If at any point in time you don't  
19 hear the question or you don't understand the  
20 question, I'd like you to let me know and I'll  
21 either repeat it or rephrase it for you.

22 If you answer the question, then  
23 I will assume that you've both heard it and  
24 understood it.

25 Okay?

1

Pierce

5

2

A Okay.

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4

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9

Q A couple of other rules, just to make sure we get an accurate transcript. If you can try to wait for the full question, for me to ask my full question, even if you anticipate what I'm going to say, that way we can get it down on the record and I'll try to do the same with your answer.

10

11

12

13

Also can you verbalize your responses, not simply nod or shake your head or gesture, because, again, we need to take it down on the transcript.

14

A Yes.

15

Q What is your full name?

16

A Leslie Wayne Pierce.

17

18

Q And by whom are you currently employed?

19

A CGI Federal.

20

Q What is your current title?

21

A Director, consulting services.

22

23

24

Q And how long have you been employed by CGI or one of its corporate predecessors?

25

A Thirteen years, approximately.

1

Pierce

6

2

Q So the year that you began was  
what?

4

A 2000.

5

Q Before I ask you about CGI, I  
would like to ask you some questions about your  
background.

8

Q Can you tell me what your formal

9 education is?

10

A As in college?

11

Q Yes, as in any post high school  
education that you have.

13

A My degree is in molecular  
biology, a bachelor's of science.

15

Q From where?

16

A University of Texas in Austin.

17

Q What year?

18

A I graduated 1992.

19

Q Any other degrees or other formal  
education post high school?

21

A Yes. Master's of business  
administration.

23

Q From?

24

A Ohio Dominican.

25

Q That's a college?

1

Pierce

2

A Yes, local university in  
Columbus, Ohio.

4

Q What year did you get that?

5

A 2007.

6

Q Any other post high school formal  
education?

8

A No.

9

Q Can you give me an overview of  
your work history between graduating in 1992 and  
starting at CGI?

12

A I will do my best, if I can  
recall all of it, all the places that I've  
worked.

15

So post the University of Texas,  
I worked in a clinical lab and then I worked for  
the State of Texas in an environmental lab.

18

Then I worked for Cendant  
Corporation, which no longer exists, but that's  
who I worked for with Jackson Hewitt, and then I  
left there and came to work for CGI.

22

Q I want to try to put some time  
periods onto this.

24

What was the time period or the

25

years that you worked for the clinical lab?

7

1

Pierce

2

A I started working for them in  
'91, so probably '91 to '93 I think is the time  
period.

5

Q And where was the clinical lab?

6

A Austin, Texas.

7

Q Was it affiliated with the  
university?

9

A No.

10

Q Who ran the lab, what entity?

11

A It was a group of doctors,  
pathology doctors, pathology lab.

12

Q What did you do there?

13

A I was a cytotech, cytology  
technologist.

14

Q Cytology tech?

15

A Yes.

16

Q What did that entail?

17

A I was responsible for receiving  
various samples from doctors who came in from  
various parts of the state, and we were  
responsible for preparing those samples to be  
evaluated or to be read by the cytotechs to  
determine if there were malignancies and things  
like that.

8

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Pierce

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2

Q When you're saying, I don't know  
if I have the word correct, the techs are what  
kind of techs?

5

A Cyto, C-Y-T-O.

6

Q C-Y-T-O.

7

A Yes, cytotech. Yes, cytology,  
which is the study of cells.

8

Q Got it, okay.

9

10 And then you next worked for the  
11 State of Texas in an environmental lab.

12

What time period was that?

13

A From '93 to '97.

14

Q What did you do there?

15

A There I was originally hired as a  
16 lab technician and was responsible for preparing  
17 samples for analysis of various pesticides and  
18 insecticides and metals from samples that came  
19 from around the state.

20

Q And did you do that the entire  
21 time that you worked there?

22

A No. I became, was promoted to a  
23 chemist, so became an environmental chemist and  
24 from there still doing the same analysis,  
25 looking at primarily water samples and soil

1

Pierce

10

2

samples for insecticides and pesticides.

3

Q So you were a chemist when you  
left there?

5

A That's correct.

6

Q And then you went to Cendant  
Corp.

8

What was the time period that you  
were there?

10

A Cendant, I was there from '97  
until 2000.

12

Q What did you do there?

13

A Cendant was, at the time was the  
largest franchise holder, so they were the owner  
of Jackson Hewitt tax service, so I was a  
general manager for Jackson Hewitt.

17

Q Jackson Hewitt was what?

18

A Tax service.

19

Q Tax service?

20

A Tax preparation.

21

Q So a change of field?

22

A Yeah.

23

Q And you were the general manager  
of what there?

25

A General manager of the entire

1

Pierce

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operation, so I was responsible for the  
Columbus, developing, opening and developing the  
Columbus market.

5

Q So you were the general manager  
of the Columbus office of Jackson Hewitt?

7

A It was multiple offices.

8

So I was the general manager of  
the entire region, the entire city.

10

Q So for the Columbus city  
operations?

12

A Yes.

13

Q How many offices?

14

A Initially ten offices.

15

Q Why did you leave Texas and go to  
Cendant?

17

A I was recruited.

18

Q You were recruited by Cendant?

19

A Yes, I guess -- which reminds me,  
because I actually worked for Jackson Hewitt at  
that time part time, so I had a part-time  
position while I was working at the Department  
of Health, and, yeah, while I was working at the  
Department of Health I worked for Jackson Hewitt  
part time.

1

Pierce

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Q What were you doing?

3

A Tax preparation.

4

Q So you were actually doing the  
tax prep?

5

A Yes.

6

Q And then you were recruited by  
them to come into this general manager position?

7

A That's correct.

8

Q And that entailed you relocating  
to Columbus, Ohio?

9

A That's correct.

10

Q Did your position change during  
the three years that you were doing that?

11

A As a general manager, no.

12

Q You remained in the position of  
general manager?

13

A That's correct.

14

Q Did your duties and  
responsibilities change during that time?

15

A No.

16

Q You continued to be responsible  
for the offices in Columbus?

17

A From the time I got there until  
the ending, yes.

12

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Pierce

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Q And in 2000 you went to work for  
3 CGI?

4

A That's correct.

5

6

Q What were the circumstances of  
you going to work there?

7

8

9

10

11

12

13

14

15

A The circumstances of me going to  
work there were -- well, for the time I worked  
for Cendant running the Columbus operation,  
there were, there was a franchisee and corporate  
had an agreement, so corporate hired me, but I  
ran both of the operations together  
collectively, because the franchisee was  
ultimately going to buy out the entire  
territories.

16

17

18

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So I had two different bosses,  
actually. And they became partners and when  
they became partners -- not partners -- yeah, my  
two bosses became partners in 2000, I had one  
boss that lived in Virginia Beach, the other one  
lived in Columbus, when they became partners the  
Virginia Beach boss who worked directly for  
Cendant moved to Columbus, and because of his  
position and experience and so forth, they  
formed a new corporation and then they laid me

1

Pierce

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off as a result of that.

3

Q So your job was eliminated?

4

A Yes.

5

6

Q Because of this restructuring  
that was going on?

7

8

A Because of the restructuring,  
that's correct.

9

10

Q So then you were looking for  
work?

11

A That's correct.

12

13

Q How did you actually come to be  
hired at CGI?

14

15

A I posted my resume on line and  
they gave me a call about a potential  
opportunity they had available and -- or an  
opportunity they had, and they hired me.

16

17

18

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MR. KLEIN: And just for

clarification, David, I just want  
to make sure that when you say  
CGI at this time period, you're  
referring to CGI and/or its  
predecessor corporate entities.

MR. MAIR: I am. And

maybe we should just clear that

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Pierce

2

up.

3

BY MR. MAIR:

4

Q In 2000, was CGI then known as  
CGI or were you are working for a corporate  
predecessor?

7

A A predecessor.

8

Q And the name of that was?

9

A Orion.

10

Q Orion?

11

A Yes.

12

Q Do you recall when the changeover  
from Orion to CGI took place?

14

A Well, it went from Orion to IMR  
Global and then from IMR Global to CGI, and I  
think it was probably about a year after I  
started working for them, so I think sometime in  
2001, I think.

19

Q In 2001 it went to IMR or it went  
to CGI?

21

A It went -- unless -- so in 2001  
it went to IMR Global and then sometime  
thereafter it went to CGI, but I don't recall  
the specific time frame.

25

Q In terms of your employment, have

15

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Pierce

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you had for all intents and purposes a  
continuous employment with whatever entity you  
were working for at the time since 2000?

5

A With respect to, I guess the  
definition of CGI being its predecessors, yes.

7

You know, and I don't know if  
this is considered employment, *per se*, but at  
the same time that I applied for CGI, I also  
developed a franchise myself, a Jackson Hewitt  
franchise, so I have some interest in that.

12

So I guess those two things were  
happening simultaneously, but it was just the  
ownership interest primarily.

15

Q I'm going to talk about your  
franchise operation in a second, but in terms  
of, what I'm getting at is from your perspective  
have you been continuously employed by the same  
company or series of companies since 2000?

20

A Yes.

21

Q And that's been CGI and its  
predecessors?

23

A Yes.

24

Q Now, during that period that you  
have been employed at CGI, have you owned an

1

Pierce

17

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ownership interest in any other businesses or  
franchises?

4

A Yes.

5

Q Tell me about that.

6

A In 2000, before I was hired at  
CGI, I expressed an interest with Jackson Hewitt  
to open and develop some territories, some  
Jackson Hewitt tax preparation offices in Texas.

10

Q And so you reached an agreement  
with Jackson Hewitt to open a franchise in  
Texas?

13

A That's correct.

14

Q And you reached that agreement  
before you went to CGI?

16

A Yes.

17

Q But you continued with that  
franchise afterwards?

19

A Yes.

20

Q And do you still own that today?

21

A Yes.

22

Q And can you describe for me what  
offices that franchise has? Are you just in one  
location in Texas, are you in multiple  
locations, do you have multiple offices?

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Pierce

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A I have multiple offices.

3

4

I originally started with two offices in Texas.

5

6

So initially two offices in, it's one territory, I believe it's what I originally started with.

7

8

Q What territory?

9

A

I called it one territory.

10

11

Jackson Hewitt sells by territories to define your agreement with them.

12

13

Q Is your territory Texas or some portion of Texas?

14

15

A Portions of Texas, a territory is defined as an area of about 50,000 individuals and by zip codes.

16

17

Q So can you describe for me what your initial territory was geographically and how it's changed between then and now, if it has changed?

18

19

A The initial territory is south of Houston, about 40 miles south of Houston in an area called Clute, C-L-U-T-E, Clute, Texas.

20

21

And then we expanded from where -- it's where our main office is located.

1

Pierce

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7

So from there we purchased, and this is an approximate number of territories, because I don't know the exact number, but from there we expanded into a total of about five territories in Texas, I think five territories there.

8

9

10

11

During that expansion we also expanded into Indiana, bought some territories in Indiana, in Anderson, Indiana, is where we also had some offices there initially.

12

Q And you still have those today?

13

A Yes.

14

15

16

Q In terms of the five territories in Texas, what's the approximate geography of those territories?

17

18

Are they all around Houston or are they spread out more broadly than that?

19

20

21

A When I speak to the territories to individuals, I just usually say south of Houston.

22

23

24

I own one territory in Houston, but my operation is primarily outside of Houston or south of Houston.

25

Q Do you have any partners in this

1 | Pierce

20

## 2 franchise?

3 | A No.

4 Q You have 100 percent ownership of  
5 it?

6 A Yes.

7 Q During the time that you've  
8 worked at CGI, have you had any other  
9 franchises?

10 A Yes.

11 Q Can you list those for me?

12 A The other franchise I have an  
13 ownership interest in is Honey Baked Ham.

14 Q Is that a single franchise or do  
15 you have multiple franchises with them?

## 16 A Multiple units.

17 Q Again, can you give me the  
18 locations?

19                   A           One location is south of Houston,  
20                   again in Lake Jackson, and the other is in  
21                   Corpus Christi, Texas.

22 Q When did you acquire each of  
23 them?

24 A Initial conversations with Honey  
25 Baked was in 2004 so I acquired those in -- or

1

Pierce

21

2

I signed my franchise agreement with Honey Baked  
3 in 2005.

4

Q For both locations?

5

A I'm trying to remember if it was  
6 both locations. Give me just a moment.

7

No, so only one location in 2005  
8 and the second location was 2006.

9

Q Other than the Honey Baked Ham  
10 and Jackson Hewitt franchises, have you ever had  
11 on ownership interest in any other franchises?

12

A No.

13

Q Have you ever had an ownership  
14 interest in any other businesses?

15

A No.

16

Q Do you have any partners in the  
17 Honey Baked Ham franchise?

18

A No.

19

Q And you still own those two  
20 franchise locations of Honey Baked Ham?

21

A Yes.

22

Q Now, when you first were hired at  
23 CGI, what was your title?

24

A Regional manager.

25

Q Regional manager?

1

Pierce

22

2

A Uh-hum.

3

Q Who did you report to?

4

A Marybeth Carragher.

5

Q And what were your  
responsibilities?

7

A My responsibilities as a regional  
manager included a portion of the state, the  
Dayton region, we called it the Dayton region,  
which included approximately 19 counties that  
had HUD contracts that we administered.

12

Q I'm sorry to interrupt.

13

Was that PBCA work?

14

A Yes.

15

Q So you basically had  
responsibility for the Dayton region of the PBCA  
operations?

18

A That's correct.

19

Q And did you have other  
responsibilities that you were about to go on to  
tell me about?

22

A No, just -- that's it, no  
additional responsibilities.

24

Q And you reported directly to Ms.  
Carragher?

1

Pierce

23

2

A Yes.

3

4

5

Q Did other regional managers have responsibility for other parts of the Ohio PBCA territory?

6

A Yes.

7

8

9

Q Who were the other regional managers at that time? I'm talking around the time you joined.

10

A By name?

11

Q Yes.

12

MR. KLEIN: And are you just referring to the Ohio region or the State of Ohio?

13

14

15

16

MR. MAIR: Yes, the State of Ohio.

17

18

19

20

21

A The ones I can remember are from the Columbus office, because we had two different offices, so the Columbus office included James Ellis, Michele Tally and Tony Donor.

22

Q Donor?

23

A D-O-N-O-R.

24

25

Q They were other regional managers?

1

Pierce

24

2

A Yes.

3

4

Q How long did you have that  
position as regional manager?

5

A From 2000 to 2006.

6

7

Q And did your duties stay the same  
during that period?

8

9

A Yes, my duties stayed the same  
with respect to regional manager, yes.

10

11

12

13

14

15

16

17

You asked me earlier a question  
did I have any other responsibilities and it  
just dawned on me that I did do a consulting, a  
portion of consulting with the housing authority  
in Baltimore for I guess approximately a year  
and that -- while still maintaining to some  
degree my region, the Baltimore Housing  
Authority.

18

19

20

21

Q So during the 2000 to 2006  
period, the Baltimore Housing Authority  
consulting was the only work you did in addition  
to your PBCA regional manager work?

22

23

A Right, that's correct, as part of  
CGI, but, yes.

24

25

Q And your region stayed the same  
as the Dayton region?

1

Pierce

25

2

A That's correct.

3

Q 2006, what position did you move  
4 into?

5

A 2006 I moved into a position of  
6 director of special projects.

7

Q Did you continue reporting to Ms.  
8 Carragher?

9

A Yes.

10

Q And describe your  
11 responsibilities in that position.

12

A It primarily was to -- for  
13 various opportunities that came along, whether  
14 it's PBCA related or consulting related, to  
15 basically become a part of that and help ensure  
16 that that opportunity moved forward.

17

Q Were you involved at the bidding  
18 stage or did you take operational roles in these  
19 projects or both?

20

A Primarily operational roles at  
21 that time.

22

Q Now, can you tell me the projects  
23 that you had an operational role in during that  
24 period that you were director of special  
25 projects?

1

Pierce

2

A Well, one of those would have  
been our transition into the New York PBCA.

4

Q Apart from that, did you have  
other operational roles in that position?

6

A No.

7

Q So that was the work you did the  
entire time that you were director of special  
projects?

10

A Yes.

11

Q How long did you have that  
position?

13

A Until -- probably about a year.

14

Q 2006 to 2007?

15

A Yes.

16

Q And did you move on to another  
position after the transition had taken place in  
New York?

19

A Yes.

20

Q What was your next position?

21

A Director.

22

Q So you went from director of  
special projects to just director?

24

A Director of consulting services,  
sorry about that.

26

1 | Pierce

27

2 Q And that was in 2007?

3 A Yes.

4 Q What were your duties when you  
5 first took on the position as director of  
6 consulting services?

10 Q You oversaw the operations of  
11 that New York PBCA?

12 A That's correct.

13 Q You reported to Ms. Carragher?

14 A That's correct.

15 Q So initially when you took that  
16 position, did you have duties beyond the New  
17 York PBCA?

18 A No.

19 Q At any time since you took that  
20 position on, have you had additional duties?

21 A Yes.

1

Pierce

28

2

Q        Can you describe that to me, that  
3 project?

4

A        What we are currently executing  
5 is, we have some intake centers out on Long  
6 Island for individuals who have been impacted by  
7 Hurricane Sandy, so we are assisting our client,  
8 which is the State of New York, individuals  
9 submit the application, helping them with  
10 submitting the application and documentation so  
11 that it can be evaluated and they can be  
12 provided assistance to help them rebuild or  
13 mitigate future disaster impacts.

14

Q        At some point in time you had  
15 responsibilities connected with the PBCA rebid  
16 process; is that correct?

17

A        Yes.

18

Q        I'm going to talk in a lot more  
19 detail about that in a minute.

20

A        Okay.

21

Q        So leaving that aside, in  
22 addition to the disaster recovery operations  
23 post Hurricane Sandy that you just talked about  
24 and your operational responsibilities for the  
25 New York PBCA, can you tell me about any other

1

Pierce

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responsibilities or projects you've handled  
since 2007?

4

A I worked on another project with Chicago Housing Authority, and being in part responsible for the call center and our team, as one of the project managers of that, and that's where, the wait list purge, so the Chicago Housing Authority was purging their wait list, so we were assisting them with -- or assisting individuals who were calling in who needed help in filling out their application to ensure that they were on the wait list.

14

Q Any other projects you've had involvement in since 2007?

16

A Since 2007 I also was assigned to be responsible for our Columbus call center, which takes tenant complaints or concerns, resident concerns for our other PBCA contracts and helps ensure that their complaints are addressed or their concerns are addressed by the management.

23

Q This is a centralized call center that is used by the various PBCA operations in states around the country that CGI is involved

1

Pierce

30

2

in; is that correct?

3

A With the exception of New York.

4

Q So all of the other states in which CGI is the subcontractor for the PBCA utilize this Columbus call center?

5

A That's correct.

6

Q And you were operationally responsible for that call center?

7

A Yes.

8

Q When did you acquire that responsibility?

9

A I would say the beginning of 2012, I think.

10

Q Have you had any other responsibilities or handled any other projects since 2007?

11

A None that I can recall.

12

Q Have you had business development responsibilities?

13

A Yes, in that, building relationships with various potential clients and communicating CGI's offerings, so to that extent, yes.

14

Q Now, in terms of being

1

Pierce

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responsible for bids or responding to RFPs or  
submitting specific proposals or bids, have you  
had responsibilities in that area?

5

A Not sole responsibility, no, but  
if I identify a potential opportunity, then we  
either provide that to Dennis Ryan, who is the  
business developer, for consideration and for us  
to have a conversation about, to see whether or  
not it makes sense, as well as share that  
information with Marybeth.

10

Q So you haven't been the person  
primarily responsible for making any proposals  
or bids or responding to RFPs; is that fair to  
say?

11

A I'd say that's fair to say.

12

Q Have you, albeit not overall  
responsibility, but have you had involvement in  
submitting any specific RFP responses or bids  
during your time as director for consulting  
services?

13

A Yes.

14

MR. KLEIN: Object to the  
form.

15

Q What projects?

1

Pierce

32

2

A With respect to the rebid, the  
3 PBCA rebid, yes.

4

Q Okay. All right. And I'm going  
5 to talk about that more generally in a minute.

6

Outside of the PBCA rebid, have  
7 you had involvement in any specific bids or  
8 responses to RFPs that were submitted by CGI?

9

10

MR. KLEIN: Object to the  
form.

11

A None that I can recall.

12

Q So now let's turn to the PBCA  
13 rebid.

14

A Okay.

15

Q As I understand it, at a certain  
16 point in time HUD announced that it was going to  
17 rebid all the PBCA work across the country; is  
18 that correct?

19

A That's correct.

20

Q And am I correct that CGI saw  
21 this as an opportunity to try to expand the  
22 number of housing units that it was  
23 subcontractor for?

24

A Yes.

25

Q And was a team of people put

1

Pierce

2

together to try to win that additional work in  
the rebid?

4

A Yes.

5

Q And was that team headed by Ms.  
Carragher?

7

A Yes.

8

Q And the group that reported to  
her, the senior people that reported to her?

10

A Yes.

11

MR. KLEIN: Object to the  
form.

13

Q Was that group internally known  
as the rat pack?

15

A Yes.

16

Q And were you on the rat pack?

17

A Yes.

18

Q And was Mr. Ashmore on the rat  
pack?

20

A Not initially, but at a later  
time he did join the rat pack team, yes.

22

Q Shortly after he joined CGI?

23

A I would say shortly after he  
joined CGI.

25

Q And he was on the rat pack team

33

1

Pierce

34

2

until he was terminated from CGI, approximately?

3

A Yes, as far as I knew.

4

Q Did you have any interactions  
with Mr. Ashmore in connection with the rebid  
other than just being on group conference calls  
with him?

5

A Very limited interaction, but,  
you know, so very limited interaction.

6

Q Can you just summarize what that  
interaction was?

7

A Well, it's primarily when -- a  
couple of times when I think he was going to do  
a presentation or he was going to reach out to  
some contacts he had, I think in Michigan, he  
communicated to the team that he had some  
contacts and he could try to work some of those  
relationships, so he requested a PowerPoint  
presentation that I put together so that he  
could modify and prepare to communicate to, I  
guess, his contacts there.

8

So that's probably the greatest  
amount of extent that I can recall having worked  
with him directly on some potential pursuit,  
so ...

1

Pierce

2

Q So am I correct that the

3

interaction you had with him really related to  
giving him the presentation that you had put  
together for him to use in making a pitch?

6

MR. KLEIN: Object to the

7

form.

8

A Yes.

9

Q Now, during the rebid process,  
10 did there come a time when HUD announced that it  
11 was considering putting in restrictions on the  
12 number of units that any contractor or  
13 subcontractor could bid on?

14

A Yes.

15

Q And at the same time did HUD also  
16 announce that it was considering imposing a  
17 limitation on the percentage of profit that any  
18 one contractor or subcontractor could make?

19

A I don't recall that.

20

Q Do you recall any other potential  
21 restrictions being discussed by HUD at the time  
22 it announced that it was considering the unit  
23 cap restriction?

24

A The other restriction, if memory  
25 serves correct, is limitation on the percentage

35

1

Pierce

36

2

that you could bid, the maximum percent.

3

Q Of units?

4

A No, the maximum percent bid.

5

Q The maximum percentage of what is  
I guess my question?

6

A The maximum percentage of the  
overall value of the contract or to determine  
the amount of payment that the company could  
receive.

7

Q I don't understand that last  
answer.

8

So if you can just describe for  
me your recollection of what the other  
restriction was, in addition to a discussion  
about potential restrictions on the number of  
units that could be applied for.

9

A So initially HUD, the maximum  
percentage, the compensation, so to speak, of  
each contract is based on the fair market rent  
in the area.

10

So initially the maximum that HUD  
was willing to pay out was up to 3 percent per  
month for the execution of the entire contract.

11

Later on they concluded, well,

1

Pierce

2

how can we reduce that and that came down to a  
maximum percentage, I think at the time it was  
two and a half percent.

5

Q And was that ultimately imposed  
as part of the rebid process?

7

A Yes.

8

Q Let me turn back to the unit cap  
restriction that was being proposed.

10

After HUD announced that it was  
considering imposing a unit cap, did the rat  
pack have discussions about how HUD might be  
persuaded not to include the unit cap in its  
final bidding documents?

15

MR. KLEIN: Object to the  
form.

16

A Yes.

18

Q So there were discussions about  
how might we persuade HUD, either together or,  
either individually or together with others in  
the industry that it would be a bad idea to  
impose the unit cap; is that correct?

23

A Yes.

24

Q Did the rat pack also have  
discussions about what bidding strategies CGI

1

Pierce

2

might be able to use in the event the unit cap  
was included in the final bid documents?

4

MR. KLEIN: Object to the  
form.

6

A Could you rephrase that?

7

Q Let me step back a minute.

8

Is it fair to say that the unit  
cap that was initially proposed by HUD as being  
under consideration would have substantially  
limited CGI in going after the number of units  
that it wanted to go after in the rebid?

13

MR. KLEIN: Object to the  
form.

15

A Yes.

16

Q Let's take a look at an exhibit  
that we previously marked.

18

Exhibit 27 (handing).

19

I'm showing you what was  
previously marked as Exhibit 27. It's an e-mail  
string on January 14th and January 15th of 2010.

22

I'm going to ask you just to turn  
to the second to last page of the document, to  
an e-mail, the e-mail at the bottom of that page  
from Ms. Carragher to Richard Schmitz and others

1

Pierce

2

on January 14th.

3

Do you see that one?

4

A Yes.

5

Q Can you read that e-mail to  
yourself?

6

A (Perusing document.) Okay. So I  
have read this e-mail.

7

Q Now, I understand the e-mail  
wasn't sent to you. I assume you have never  
seen the e-mail before?

8

A No, I've never seen this e-mail.

9

Q In any event, you see that Ms.  
Carragher says that as of that point in time,  
January 14th, CGI has 267,000 units?

10

A I do see that's written in the  
e-mail.

11

Q Is that your recollection as to  
the approximate number of units that CGI had  
under management in the PBCA contracts prior to  
the rebid?

12

A Approximately.

13

Q And you see that Ms. Carragher  
indicates that CGI was planning on bidding on  
over 800,000 units at that point in time, do you

39

1 | Pierce

40

2 see that?

3 A I do see that in the e-mail.

4 Q And is that also your

5 recollection of what the goal of CGI had been  
6 prior to the announcement of a potential unit  
7 cap?

8 A No, that's not my recollection.

9 Q What is your recollection?

10                   A            My recollection is and, of  
11 course, perhaps that is limited to my scope of  
12 what I was doing at the time, but maybe about  
13 550,000 units.

14 Q Let me see if I understand your  
15 answer.

23                   A            What I'm trying to communicate is  
24                   that from the e-mail that Marybeth sent, she may  
25                   have had a broader scope or perception of what

1

Pierce

2

CGI was going after.

3

My limited scope with what I was working on and the individuals that I was working with in basic conversation was about 550.

7

So all I'm saying is she may have had some other understanding or because she's responsible for the entire group, so...

10

Q Well, each of the operational directors reporting in to Ms. Carragher were responsible for going after or primarily responsible for going after different jurisdictions in the rebid, correct?

15

A Correct.

16

Q You had certain jurisdictions that you were primarily responsible for, right?

18

A That's correct.

19

Q Mr. Gorris had areas that he was responsible for, right?

21

A Correct.

22

Q Mr. Steen had areas he was responsible for, right?

24

A Correct.

25

Q Ms. Rudy had areas she was

41

1

Pierce

2

responsible for?

3

A        Correct.

4

Q        And I may have missed somebody, but what I'm trying to find out is the 550,000 number that you recall today as being the target, was that the number that you recall the entire group targeting to go after, or is that just the area that you recall being within your geographic scope within the rebid?

11

A        It's not the area that, from my group, I know that because it wasn't 550,000 units.

14

Q        And I don't recall what the total collective number was, but I don't recall it being 800,000.

17

Q        You recall it being less than that collectively that had been targeted?

19

A        Yes.

20

Q        Do you have any reason to believe, looking at Ms. Carragher's e-mail, that what she is saying is untrue in terms of what CGI as a company had targeted to go after, and that is her statement that they were planning on bidding on over 800,000 units?

42

1

Pierce

43

2

A If this is her statement then,

3

maybe I'm misinterpreting, but if it's her  
statement that's what she believed that she  
wanted to communicate that our company had the  
potential to go after.

7

Q So you might not have been aware  
of the entire picture; is that correct?

9

A Not of the 800,000 units, only  
that the opportunity for the rebid existed and  
we wanted to expand and if those opportunities  
come along and they make sense, then let's  
pursue them.

14

Q Your recollection of the number  
of 550,000 units, was that the number of new  
units that CGI was trying to add to its  
portfolio over and above the existing number of  
267,000?

19

A Not to my recollection, no.

20

Q In any event, is it fair to say  
that in January of 2010 when HUD announced that  
it was considering a unit cap, that unit cap was  
substantially lower than the total number of  
units that CGI had targeted to bid upon at that  
point in time?

1

Pierce

2

MR. KLEIN: Object to the

3

form.

4

A Yes.

5

Q Now to go back to the rat pack  
6 calls.

7

You told me a few minutes ago  
8 that the rat pack in their regular calls  
9 discussed strategies to try to persuade HUD not  
10 to ultimately impose the unit cap that it said  
11 it was considering; is that correct?

A I think I asked you to rephrase  
12 that, then you moved on from that, so I don't  
13 think I confirmed that, that we had necessarily  
14 done that.

16 But if you're asking me, if your  
17 question is whether or not we evaluated the  
18 opportunity and how could we, you know, seize  
19 the opportunity, yeah, we talked about that.

20 Q Well, my question is a little  
21 more specific.

22 So regardless of what you  
23 testified to earlier, we don't need to debate  
24 that.

25 A Okay.

44

1

Pierce

45

2

Q Let me ask you a new question.

3

A Okay.

4

Q The rat pack had regular strategy conference calls during the rebid process,

5 correct?

6

A Yes.

7

Q And you were a participant in those calls?

8

A Yes.

9

Q After the unit cap proposal was announced by HUD, on some of those rat pack calls, did the rat pack discuss what CGI was doing by way of lobbying efforts or discussions with HUD or other methods to try to persuade HUD not to impose a unit cap when it came out with the final bidding documents?

10

In other words, was there a discussion of what CGI was trying to do to dissuade HUD from making a final decision that there would be a unit cap?

11

A Yes.

12

Q In addition to that, were there also discussions during the rat pack calls of what CGI could do if HUD was not dissuaded from

1

Pierce

2

imposing a unit cap and there was, in fact, a  
unit cap in the final bidding?

4

A I don't recall.

5

Q Let's take a look at some other  
documents.

7

I'm going to show you what was  
previously marked as Exhibit 14 (handing).

9

Can you just take a look at this  
document, take a look through it and see if

11 you're familiar with what's there?

12

A Okay.

13

MR. MAIR: For the record,

14

Exhibit 14 is a document produced  
by CGI as CGI 5043 confidential,  
a May 17, 2010 e-mail from  
Patricia Duffy together with a  
senior management committee  
progress update PowerPoint  
presentation.

19

A (Perusing document.) Okay.

22

Q I understand you are not listed  
23 on the cover e-mail here.

24

A Uh-hum.

25

Q But regardless of that, have you

1

Pierce

47

2

ever seen either this PowerPoint presentation or  
a similar PowerPoint presentation updating  
senior management on the PBCA rebid?

5

A I don't recall seeing that.

6

Q You don't recall seeing this one?

7

A I don't recall seeing this one  
and I don't recall seeing a PowerPoint to update  
senior management.

10

Q So with the understanding that  
you haven't seen this document before, let me  
ask you to turn to Page 4, which is headed,  
"HUD/GR Update," and do you understand "GR" to  
mean government relations?

15

A Yes.

16

Q Now, when you said that on the  
rat pack calls you discussed some of what CGI  
was doing to try to dissuade HUD from finally  
implementing the unit cap, were some of these  
things on this page discussed during rat pack  
calls that you were on?

22

A Yes, in a general sense, I think  
the Nixon Peabody portion and meeting with  
Gallante, the specifics of the, the specifics of  
maybe to offset the potential appropriations

1

Pierce

2

language for HFA priority, that may have been  
discussed, but I don't recall the specifics of  
these.

4

5

6

Q Turn to the next page, which is  
Page 5.

7

8

And you see that the first bullet  
point here is headed, "If unit cap."

9

Do you see that?

10

A Yes.

11

12

Q And this discusses a possibility  
of pursuing a certain number of states under the  
unit cap or within the unit cap.

13

Do you see that?

14

A Yes.

15

16

Q And then pursuing other states  
under a 49/51 percent partner split with the  
partner.

17

Do you see that?

18

A Yes.

19

Q And did you understand that  
option to be known as the 49/51 scenario?

20

A Yes.

21

22

Q So let me go back to the rat pack  
calls now.

48

1 | Pierce

49

2 A Okay.

3 Q During the rat pack calls, did  
4 the rat pack discuss various potential  
5 strategies that could be used by CGI to be able  
6 to ultimately bid on units above the unit cap if  
7 a unit cap were ultimately put in place by HUD?

8 MR. KLEIN: Object to the  
9 form.

10 A Yes.

11 Q And was one of those strategies  
12 that was discussed by the rat pack the 49/51  
13 strategy?

14 A 49/51 percent split, yes.

15 Q So the bidding under a 49/51  
16 split with the PHA partner, that was discussed  
17 by the rat pack?

18 A Yes.

19 Q On multiple phone calls?

20 A Yes.

25 Do you see that?

1 | Pierce

50

2 A Yes.

3 Q And there is a table that  
4 discusses the pros and cons of partnering with a  
5 PHA versus what they call private sector.

6 Do you see that?

7 A Yes.

8 Q And under the pros for a PHA  
9 partner, the PowerPoint says, quote, "Willing to  
10 transfer 51 percent to CGI after first year,"  
11 close quote.

12 Do you see that?

13 A Yes.

14 Q Now, during the rat pack  
15 conference calls, was there a discussion of the  
16 potential that if CGI bid under a 49/51 bidding  
17 strategy, the PHA may be able to transfer back  
18 to CGI some or all of the 51 percent after the  
19 first year or after the bid was awarded?

20 A I don't recall that.

21 Q Let me make sure I understand.

22 Your testimony is that sitting  
23 here today you don't recall that topic ever  
24 being discussed during a rat pack conference  
25 call?

1

Pierce

51

2

A The willingness to transfer 51  
percent back to CGI after the first year, it  
doesn't pop up in my head as part of a  
conversation.

6

I'm not saying it never happened,  
but I just don't recall that.

8

Q You don't recall whether or not  
it happened?

10

A Yes, I don't recall the 51  
percent transfer to CGI.

12

Q Let me just delve into that topic  
a little bit more.

14

A Okay.

15

Q Was it your understanding that  
the 49/51 bidding strategy would be a strategy  
under which CGI and the PHA would bid and tell  
HUD that the PHA would have at least 51 percent  
of the FTE, full-time equivalent employees,  
doing the operational work, and CGI would have  
49 percent or less of those employees?

22

A Yes.

23

Q So that the 49/51 referred to who  
was going to employ the employees doing the  
operational work; is that correct?

1

Pierce

52

2

A Yes.

3

4

5

6

7

8

9

10

Q At any time during any of the rat pack discussions, whether on a conference call or in person, was there ever a discussion amongst rat pack members of the possibility that CGI and a PHA partner could bid under a 49/51 bidding strategy, but then have the PHA transfer back some of its employees in the 51 percent to CGI at some time after the bid was awarded?

11

12

MR. KLEIN: Object to the

form.

13

14

15

A I don't recall that. Again, maybe I wasn't listening in detail, but I don't recall that.

16

17

18

Q So just to be clear, sitting here today you have no recollection of that being discussed?

19

20

21

22

23

A I have a recollection of the 49/51 percent split being discussed, and as you have described, that the PHA would handle 51 percent of the FTEs and CGI would do the 49 percent, I recall that.

24

25

I don't recall the conversation of transferring, you know, 51 percent to CGI.

1

Pierce

53

2

That doesn't rest in my memory, unfortunately,  
if it was said.

4

Q So you don't recall sitting here  
today any discussion at any time about the  
possibility that the bidding could be under  
49/51, but at some point after the award of the  
contract, the PHA could transfer some of the  
FTEs to CGI?

10

A I don't recall that.

11

Q We are going to take a look now  
at what was previously marked as Exhibit 13  
(handing).

14

I'm showing you Exhibit 13, which  
was produced by CGI as CGI 7233 confidential.  
It's an e-mail exchanged between Mr. Kyprianou  
and others on January 29, 2010.

18

Can you read that to yourself?

19

A (Perusing document.) Okay.

20

Q You have read Exhibit 13?

21

A Yes.

22

Q Now, I see that you are not  
indicated as being a recipient of this on the  
document.

25

Have you ever seen it before?

1

Pierce

2

A I've never seen this document.

3

Q And let me ask you a more general  
4 question.

5

Did you review any documents at  
6 any point in time in preparation for your  
7 deposition today?

8

A No. I guess, no.

9

Q You look uncertain.

10

A Yeah, I'm trying to figure out  
11 what you mean did I review any documents.

12

I mean, I haven't seen any of  
13 these documents or anything. The only thing we  
14 did was provide the requested information by  
15 counsel. It was some months ago.

16

Q Some number of months ago you  
17 were asked by counsel to locate and gather up  
18 certain documents relating to this case, right?

19

A Uh-hum.

20

Q And you did that and forwarded  
21 them to counsel?

22

A Yes.

23

Q And did you read any of the  
24 documents at the time?

25

A No. I primarily searched for the

54

1

Pierce

55

2

information that was requested and created the  
file and uploaded it accordingly.

4

Q Then at some point you were told  
that you were going to have a deposition in this  
case, right?

7

A Yes.

8

Q And there was coordination to  
figure out the logistics of it, right?

10

A Yes.

11

Q Did you do anything to actually  
prepare to be able to testify today, anything to  
refresh your memory about events?

14

Did you review any documents?  
Did you talk to anybody in order to try to  
refresh your memory about what happened several  
years ago in the events that are at issue in  
this case?

19

MR. KLEIN: I presume you  
mean short of conversations with  
counsel.

22

Q I'm including that now in terms  
of just, if that is one of the things you did,  
then tell me, but don't go into any details  
about what was discussed with counsel.

1

Pierce

2

MR. KLEIN: Fair enough.

3

A Yes.

4

Q By "yes," what did you do, again, without going into details about discussions, what did you do to try to prepare for this deposition?

5

A Speak with counsel, "Hey, Les, there's a deposition coming up."

6

Q Don't tell me about the details

7 that you spoke to counsel about.

8

You spoke to counsel?

9

A Yes.

10

Q So you had a meeting, an in-person meeting or was it by phone?

11

A By phone.

12

Q You had a phone call with

13 Mr. Klein?

14

A Yes.

15

Q Was anybody else on the call?

16

A Yes.

17

Q Who else?

18

A Marybeth Carragher.

19

Q Was anybody else on the call?

20

A No.

1

Pierce

57

2

Q        How long did the call last,  
approximately, your best recollection?

4

I see you're looking at counsel,  
but I just want to know your best recollection.

6

A                    Maybe an hour.

7

Q            And how long ago was that?

8

A couple of weeks ago, I think.

9

Q            Apart from that approximately one-hour call, did you speak to anyone at any other point in time, either counsel or Ms. Carragher or anybody else, to try to prepare this deposition?

14

A No.

15

Q            Did you at any point in time review or look at any documents to try to refresh your recollection as to what happened?

18

A No.

19

Q So you didn't look at any documents at all for purposes of preparing to be able to testify here today?

22

A No.

23

Q Okay.

24

After that digression, let's go back to Exhibit 13.

1

Pierce

58

2

A Okay.

3

Q If you take a look at the last page of this e-mail exchange.

5

A The last page, okay.

6

Q Do you see that Mr. Kyprianou states as follows, quote, "I don't know whether this is possible or allowable, but can we create new entities for selected jurisdictions that are a joined venture of a PHA and CGI subsidiary. If this holds, then we can get away with the unit restrictions as these entities will somehow be independent from CGI," close quote.

14

Do you see that?

15

A Yes.

16

Q Now, let me ask you, in terms of discussions amongst rat pack members either on the conference calls or in person regarding what potential strategies CGI could use in the event that a unit cap was included in the rebid, was there ever any discussion about the possibility of setting up one or more new corporate entities in order to bid on units above the unit cap?

24

A No, not that I recall.

25

Q Let me make sure I understand.

1

Pierce

59

2

A Okay.

3

4

5

6

7

8

Q At any time during any of the discussions leading up to submission of the rebid, did any of the rat pack members ever discuss the possibility that one or more new corporate entities could be set up as part of a bidding strategy by CGI?

9

10

MR. KLEIN: Object to the

form.

11

A No.

12

13

14

15

Q Was there ever any discussion at all at any point in time about setting up either subsidiaries or affiliates or separate corporate entities to bid on the rebid?

16

17

MR. KLEIN: Object to the

form.

18

19

20

A There was discussion about CGI's existing subsidiaries maybe bidding, but I don't recall conversation about setting up new ones.

21

22

23

Q Tell me what you recall about the discussion of existing CGI subsidiaries bidding in the rebid.

24

25

A Well, I mean, there's a couple of different groups.

1

Pierce

60

2

One is CGI Technologies and

3

Solutions, and I can't remember what our other  
4 ones are, but I guess CGI has several  
5 subsidiaries, CGI Federal and CGI Technologies  
6 and Solutions.

7

Whether or not that particular  
8 entity, being that it's a separate entity, so to  
9 speak, could it partner with PHAs to pursue the  
10 opportunity.

11

But that was probably about as  
12 much as I recall with respect to the existing  
13 entities doing so, but I don't recall a  
14 conversation on new entities being created or  
15 set up.

16

Q So just to make sure I  
17 understand, you have a recollection of there  
18 being a discussion about using more than one  
19 existing CGI corporate entity in the rebid; is  
20 that correct?

21

MR. KLEIN: Object to the  
22 form.

23

A Yes.

24

Q And was there a discussion that  
25 by using more than one CGI entity in the rebid,

1

Pierce

2

CGI may possibly be able to get around a single  
unit cap if the unit cap was imposed?

4

MR. KLEIN: Object to the  
form.

6

A Yes.

7

Q So the context of the discussion  
of using more than one CGI corporate entity was  
doing that in order to have more than one unit  
cap applied to CGI collectively; is that  
correct?

12

MR. KLEIN: Object to the  
form.

14

A Yes.

15

Q On how many calls was that  
concept discussed?

17

A I don't recall that.

18

Q More than one call?

19

A Yeah, definitely more than one  
call.

21

Q More than three calls?

22

A I don't recall that.

23

I know the conversation happened.

24

On how many calls, I don't recall.

25

Q These were full rat pack calls?

61

1

Pierce

62

2

A Yes.

3

4

Q Amongst Ms. Carragher and her senior employees?

5

A Yes.

6

Q Was Mr. Ashmore on these calls?

7

A I don't recall specifically whether or not he was on the call, but if we had a rat pack meeting, he had the invite, so whether or not he actually made that call, I don't know.

Q What was ultimately decided with respect to the possibility of bidding through more than one CGI corporate entity in order to have more than one unit cap applicable to CGI collectively?

A Well, ultimately we did not bid differently under different entities.

So the decision was we bid as CGI with our partners and we did the 49/51 split.

Q You answered a slightly different question.

A Okay.

Q You told me what CGI actually did.

1

Pierce

63

2

My question is, going back to these rat pack strategy conference calls, you said that on more than one occasion the concept of bidding through more than one CGI corporate entity in the rebid was discussed.

7

My question is --

8

A What was the outcome of that?

9

Q -- what was the outcome of those discussions amongst the rat pack members?

10 MR. KLEIN: Object to the form.

11

A To not do it or it wasn't, I mean, I don't know if it's not to do it, but the ultimate decision was we didn't do it, I mean, we didn't use any other subsidiaries, CGI subsidiaries.

12

Q Let me try to ask a more specific question.

13

A Okay.

14

Q Do you recall there being a specific decision made on those rat pack calls or was the subject just dropped at a certain point in time or did something else happen?

15

A From my perspective, you know,

1

Pierce

2

assuming that decision, and I don't know if  
assuming is the right word, but --

4

Q Well, I don't want you to assume.

5

A Yes, and I don't want to assume.

6

Q So just to be clear, the  
question, my question is asking you for your  
recollection of discussions on rat pack  
conference calls.

10

And my question is, the topic of  
bidding through more than one CGI corporate  
entity was discussed, you said, on more than one  
rat pack call.

14

Based on your recollection today,  
do you recall if at a certain point in time a  
decision was made on the rat pack call, "No,  
we're not going to do that," or was the topic  
just dropped and not addressed again on the  
calls without there being a decision being made  
amongst the rat pack members?

21

A Let me see if I can answer your  
question.

23

I don't recall a specific  
decision being made.

25

However, it was an understanding

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Pierce

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it wasn't going to be pursued.

3

But how that, you know, whether that was because a decision had been made that we are not going to use any other CGI subsidiaries, but it was an understanding that the pursuit of using other CGI subsidiaries was not going to be used.

9

Q Now, am I correct that sitting here today you have absolutely no recollection of there ever being a discussion amongst any rat pack members of the possibility of setting up any new companies, whether they be new subsidiaries or outside companies, in order to bid through those companies and try to get around a single unit cap?

17

A I don't recall that.

18

THE WITNESS: Can we take a break?

20

MR. MAIR: Yes.

21

(Whereupon, at 11:54 a.m., a recess was taken.)

23

(Whereupon, at 12:12 p.m., the deposition resumed with all parties present.)

65

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Pierce

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MR. MAIR: Back on the

3

record.

4

BY MR. MAIR:

5

Q Let me go back to the rat pack  
discussions of a 49/51 bidding scenario.

6

Were there any discussions at any  
point in time amongst rat pack members of the  
question of what HUD might do to monitor the  
number of FTEs being employed by the PHA as  
opposed to the subcontractor following the  
successful award of a contract?

7

A Could you rephrase the question  
or repeat the question? I want to make sure I  
understand.

8

Q Yes.

9

Were there any discussions  
amongst any rat pack members of what HUD would  
do to monitor or require reporting of the  
allocation of FTEs between the PHA prime  
contractor and its subcontractor after HUD  
awarded a contract for a 49/51 bidding  
relationship?

10

A I don't recall that conversation.

11

Q You don't recall that ever being

1

Pierce

67

2

discussed?

3

4

5

6

7

8

9

10

A No. The only thing I recall is during your, the bidding process, you lay out the FTE and you lay out for the 49/51 percent split or who was going to do what, maybe not laying them out, but I just know we did an analysis on the 49/51 percent split and, you know, what would be their FTE, which ones would be their FTEs, which ones would be our FTEs.

11

12

13

So I don't recall any conversation about monitoring them at a later time or anything like that.

14

15

16

17

Q So what you're saying is you, at CGI you did an allocation of FTEs between CGI and the PHA bidding partner for those bids that were submitted under a 49/51 scenario, right?

18

19

20

21

22

23

24

25

A Yes. We did the analysis so that we could communicate to our partners so they'll understand, you are responsible for these specific positions and these specific tasks, and this is what CGI is going to do, and to lay that out to them, so, yes, in order to, you know, get them to agree to that, they had to know what they were going to be responsible for.

1

Pierce

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2

Q My question is was there ever a discussion amongst rat pack members of the question of what, if anything, HUD was going to do to monitor or enforce the 49/51 split between PHA and subcontractor after the contract was awarded?

3

A I don't recall a conversation.

4

Q Now let me talk for a few minutes about what your responsibilities were in the rebid process.

5

A Okay.

6

Q Were there certain jurisdictions that were allocated to you in the pursuit of the rebid?

7

A Yes.

8

Q What jurisdictions were those?

9

A I was responsible for New York, Pennsylvania, Connecticut, Louisiana, and Texas.

10

Q What about Massachusetts?

11

A Massachusetts was not my responsibility.

12

Q Oklahoma?

13

A Oklahoma was a no-bid state.

14

I don't recall me having

1 | Pierce

69

2 responsibility to connect with anybody in  
3 Oklahoma.

4 So it's not imprinted on the  
5 memory. So I don't recall Oklahoma, or I'll say  
6 no, because we didn't do Oklahoma.

7 Q Well, I understand that  
8 ultimately a decision was made not to bid in a  
9 small number of jurisdictions.

10 My question, though, is not  
11 really related to what CGI ultimately did.

20 And you've listed New York,  
21 Pennsylvania, Connecticut, Louisiana and Texas.

23 A I don't recall any others.

24 Q Regardless of whether they were  
25 bid upon?

1 | Pierce

70

2 A I don't recall any others.

5 Q And were all of those states  
6 actually bid upon by CGI, that is New York,  
7 Pennsylvania, Connecticut, Louisiana and Texas?

8 A Yes.

9 Q Bids were submitted for all of  
10 those states?

11 A Yes.

12 Q Together with partner PHAs?

13 A That's correct.

14 Q Now, were any of those states  
15 actually bid under a 49/51 scenario?

16 A Yes.

17 Q Which ones were bid under 49/51?

18 A All except New York.

19 Q Pennsylvania, Connecticut,  
20 Louisiana and Texas?

21 A Yes.

22 Q Now, who was the PHA partner for  
23 Pennsylvania?

24 A It was a consortium of housing  
25 authorities, so there were five housing

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Pierce

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authorities, collective, in a consortium and  
they formed a group called, I just know the  
acronym, AHI, but I can't think of the name,  
what that stood for.

6

Q Who are the housing authorities  
that are a part of that consortium?

8

A Chester Housing Authority,  
Allentown Housing Authority, Alleghany County  
was a part of that at that time.

11

I can't remember the small one.  
I want to say Mercer County, but I'm not 100  
percent sure that's the name of that county, and  
Harrisburg Housing Authority.

15

Q Was the name of the consortium  
for the Pennsylvania bid Affordable Housing  
Innovators, Inc.?

18

A Yes.

19

Q And that entity was owned by the  
five housing authorities you just listed?

21

A That's correct.

22

Q And that was CGI's PHA partner  
for the bid as the prime contractor on the bid  
for Pennsylvania?

25

A That's correct.

1

Pierce

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2

Q Was that bid successful -- and  
let me clarify that.

4

A Yes.

5

Q I understand that the rebid  
process, that the results of the initial rebid  
were later overturned.

8

But in terms of what was awarded  
in the initial round of the rebid, was the  
Pennsylvania bid successful?

11

A No.

12

Q Were any of the bids for any of  
your states successful?

14

A No.

15

Q Not even New York, which was your  
existing state?

17

A That's correct.

18

MR. MAIR: Off the record.

19

(Discussion off the record.)

20

MR. MAIR: I'm going to  
mark as Exhibit 41, I'm going to  
mark a document that was produced  
by CGI under the Bates number CGI  
10882 -- off the record.

25

(Discussion off the record.)

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Pierce

2

MR. MAIR: Back on the

3

record.

4

-- confidential.

5

So we're marking this as

6

Exhibit 41. It's a memorandum of

7

understanding between CGI and

8

Affordable Housing Innovators,

9

Inc.

10

(A memorandum of

11

understanding between CGI and

12

Affordable Housing Innovators,

13

Inc., was marked as Plaintiffs'

14

Exhibit 41 for identification, as

15

of this date.)

16

BY MR. MAIR:

17

Q I'm showing you what's been  
marked as Exhibit 41 (handing).

18

Is this the memorandum of  
understanding that was entered into between CGI  
and Affordable Housing Innovators, Inc., which  
is AHI (handing)?

19

A (Perusing document.) Yes.

20

Q And did you play the primary role  
in negotiating this with AHI?

1

Pierce

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2

A Yes. In that, you know, we provided it to them. If they had any issues or concerns they communicated back to us and we forwarded it off to our legal team, and they worked out any concerns between those two parties.

8

So I was just basically a conduit

9 for information.

10

Q On the business side you were the person on the part of CGI that negotiated the deal with AHI; is that fair to say?

13

A Yes.

14

Q And the lawyers behind the scenes, they may have had discussions, but on the business side it was you?

17

A Yes.

18

Q And who did you deal with at AHI?

19

A Steve Fischer.

20

Q What was his title?

21

A He's the executive director of Chester Housing Authority.

23

I don't know what his title of this consortium was, because they didn't really identify a president, but he was the main

1

Pierce

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2

representative for them.

3

Q If you look at the last page of  
this document, was he the acting chair?

4

A (Perusing document.) Is that  
what it says?

5

Yeah, that would be Steve.

6

Q And this was entered into  
December 24, 2009, correct?

7

A Yes.

8

Q So this was entered into before  
HUD announced that it was considering a unit cap  
in January of 2010; is that correct?

9

A Yes.

10

Q The MOU with AHI was entered into  
before the unit cap, before HUD announced that  
it was considering a unit cap, correct?

11

A Yes.

12

Q Did CGI ever enter into a new MOU  
or any new written agreement with AHI after the  
unit cap was announced by HUD?

13

A Yes, based on the 49/51 percent  
split.

14

Q So it's your recollection that a  
new MOU was entered into that reflected the

1

Pierce

76

2

49/51 split?

3

A Yes.

4

Q You recall that definitively?

5

A I recall the conversation, and we had to -- my conversation with Steve and crew,

yes, we would have entered a new MOU.

8

Q You had discussions with Mr. Fischer about entering into a new MOU to reflect the 49/51 work allocation?

11

A We had conversations, I had conversations with him and his team or him and the other partners on the 49/51 percent split, and as a result of that, you know, we would have issued a new MOU.

16

So I'm almost certain we had a

17

new MOU for that.

18

Q I want to be very clear here,

19 just because of the language you used.

20

You said "we would have," and I

21 think you said you were almost certain.

22

A Yes.

23

Q I just want to find out sitting here today, let's break it into two pieces.

25

Do you recall sitting here today

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Pierce

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2

having discussions with Mr. Fischer about  
entering into a new MOU to reflect the 49/51  
split regardless, I'm breaking this into two.

5

First of all, I'm going to ask  
you about discussions and then about whether a  
document was actually signed.

8

And I want to find out how strong  
your recollection is.

10

A Yes.

11

Q So in terms of the discussions,  
did you have discussions with Mr. Fischer about  
entering into a new MOU to reflect the 49/51  
split?

15

A So yes, yes, we did have a  
conversation about a new MOU.

17

Q Now, did CGI and AHI ever  
actually sign a new MOU after the December 2009  
MOU that's marked as Exhibit 41?

20

A If we discussed the 49/51 split,  
we would have revised an MOU and so we would not  
have submitted a bid without the MOU.

23

Q Okay. This is what I want to  
differentiate with you.

25

You sound like you are making an

1

Pierce

78

2

assumption.

3

A Okay.

4

Q Sitting here today, do you have a  
5 actual recollection of a new MOU being signed  
6 with AHI to reflect the 49/51 percent split?

7

A I don't recall. Maybe I'm mixing  
8 up various MOUs.

9

So I'll rest with that.

10

Q But Pennsylvania, the  
11 Pennsylvania bid with AHI was submitted as a  
12 49/51 bid, correct?

13

A Yes.

14

Q Now, with respect to Connecticut,  
15 who was the PHA partner that you submitted the  
16 bid with there?

17

A Norwalk Housing Foundation, which  
18 is the subsidiary of Norwalk Housing Authority,  
19 or their nonprofit arm.

20

Q Who is the PHA partner who you  
21 submitted the bid together with for Louisiana?

22

A East Baton Rouge Parish Housing  
23 Authority.

24

Q East Baton Rouge?

25

A Parish Housing Authority.

1

Pierce

79

2

Q            And who was the PHA partner that you submitted the bid with for Texas?

4

## A Houston Housing Authority.

5

Q            And Connecticut, Louisiana and  
Texas were all submitted as 49/51 bids, correct?

7

A Yes.

8

Q Did you enter into new MOUs with any of the three of those bidding partners, that is for Connecticut, Louisiana and Texas, that reflected a 49/51 split between the two?

12

A I'll go back to yes.

13

Q You recall that sitting here today?

15

A I can't see the document in my mind.

17

And I can't recall, so I can't  
recall.

19

Q If you look at Exhibit 41, we are going back to Pennsylvania right now, Exhibit 41 is the MOU for Pennsylvania from December of 2009.

23

If you look at Page 2, which differentiates CGI's responsibilities, the last bullet point talks about implementation and

1 Pierce

80

2 operations phase.

3 Do you see that?

4 A Yes.

5 Q And the MOU states there, quote,  
6 that CGI, quote, "Will perform all  
7 performance-based contract administration tasks  
8 set forth in the ACC with the exception of the  
9 annual audit and certain quality control and HUD  
10 reporting functions," close quote.

11 Do you see that?

12 A Yes.

13 Q It's fair to say that that does  
14 not accurately reflect a 49/51 split, correct?

17 Q It's correct in terms of what  
18 this document says?

19 A Yes.

20 Q I'm going to show you what was  
21 previously marked as Exhibit 22 (handing).

22 Now, let me, this is for the  
23 record, produced by CGI with the Bates numbers  
24 CGI 4447 confidential.

25 First of all, I want to point out

1

Pierce

2

what counsel have previously agreed to, and that  
3 is that the date on this document down at the  
4 bottom is not an accurate date.

5

A Okay.

6

Q It's something that presumably  
7 was automatically populated the date it was  
8 printed.

9

So it bears no relation to the  
10 actual document.

11

A Okay.

12

Q Do you recognize this document?

13

A (Perusing document.) Yes, I've  
14 seen the dashboard before, yes.

15

Q Can you tell me what the  
16 dashboard is?

17

A Just simply communicated what was  
18 the status or what was, you know, just generic  
19 information about a specific PHA partner and the  
20 pursuit for the groups that we were responsible  
21 for.

22

Q So is it fair to say that this  
23 dashboard represents a snapshot at a certain  
24 point in time during the rebid process; is that  
25 fair to say?

1

Pierce

82

2

A Yes.

3

4

5

6

7

Q And as of whatever point in time that was, does this dashboard reflect the allocation of the responsibility for pursuing certain jurisdictions allocated as between the four, actually the five directors?

8

A Yes.

9

Q Now, if you look under your section here on the dashboard, you see that Oklahoma is listed under your area of the dashboard?

10

11

12

13

A No.

14

15

Q Under Erica Owens, do you see that?

16

A Yes, I do see that.

17

18

19

20

Q So my question is, does that refresh your recollection that at some point in time you had responsibility for Oklahoma in the rebid pursuit?

21

22

A No, it does not call me to recollect it.

23

24

25

Q Regardless of whether you recall it today, do you have any reason to believe that this dashboard is inaccurate in terms of the

1

Pierce

83

2

allocation of that state to you at some point in  
the rebid process?

4

A I have no reason to believe that  
it's not accurate.

6

Q So you --

7

A I just don't recall it.

8

Q Now, you listed four states that  
you were responsible for the bids on under a  
49/51 scenario.

10

A Uh-hum.

12

Q That's Pennsylvania, Connecticut,  
Louisiana and Texas, right?

14

A Yes, that's correct.

15

Q Did you have discussions with the  
PHA partner, the bidding partner, on any of  
those four state bids about the possibility of  
transferring back some FTEs in the 51 percent to  
CGI at some point after the bid of the contract  
was awarded?

21

A I don't recall that. I don't  
recall any conversation about transferring back.

23

Q I just want to make sure I  
understand.

25

Sitting here today, can you

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Pierce

2

categorically state that you never had such a  
3 conversation or is it your testimony that you  
4 just don't recall it taking place?

5

MR. KLEIN: You mean about  
6 transferring back?

7

Q Yes, on transferring back the  
8 51 percent.

9

A I'd say I didn't have any  
10 conversation on transferring back.

11

Q So your testimony today is that  
12 you can state categorically that you never had  
13 such a conversation?

14

A Yes, that's my testimony today.

15

Q With any of those state PHA  
16 partners?

17

A As I'm reflecting on the  
18 conversation regarding the 49/51 percent split,  
19 it meant more money for them, so they all were  
20 pretty excited.

21

So I don't recall a conversation  
22 of considering transferring people back, so  
23 that's not something that I remember.

24

Q 49/51 bidding provided more money  
25 to the PHA partner than the original bidding

84

1 | Pierce

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2 procedure that was being discussed, correct?

3 A Yes.

4 Q And correspondingly less money to  
5 CGI, correct?

6 A True.

7 Q CGI made less money in a 49/51  
8 scenario than they did in an original bidding  
9 scenario with the PHA where CGI was going to do  
10 most or all of the work?

11 A Yes.

12 Q So was there ever a discussion at  
13 any point in time amongst anyone in the rat pack  
14 about whether or not it could be possible to  
15 move some of the 51 percent FTEs over to CGI  
16 after a contract was awarded?

17 MR. KLEIN: Object to the  
18 form.

19 A No, I -- if there was  
20 conversation had. I wasn't there.

21 I don't recall that conversation.

22 It was, you know, deliver for the  
23 client what the clients needed and win a  
24 contract.

Q Let me ask you to differentiate.

1

Pierce

86

2

A Okay.

3

4

5

6

7

Q Is it your testimony sitting here today categorically that you never were present for any such conversation, or is it your testimony today that you do not recall being present for any such conversation?

8

9

A To the best of my memory, I would say I was not present for such conversation.

10

So that's my testimony.

11

It's not registering.

12

13

So I would say, no, I wasn't present for that conversation.

14

15

Q It's your testimony today categorically that you were never present for such a conversation?

16

17

A It's my testimony that I was not involved or I don't -- I definitely don't recall it, but if you rested on me today, no, I wasn't there for that conversation.

21

22

MR. MAIR: I don't have any further questions.

23

24

(Whereupon, at 12:41 p.m., the deposition was concluded.)

25

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Pierce

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LESLIE PIERCE

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Subscribed and sworn to

5

before me

6

this [REDACTED] day of [REDACTED], 2013.

7

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NOTARY PUBLIC

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1 88

2 I N D E X P A G E

3 Witness Examination By Page  
4 Leslie Pierce Mr. Mair 4

5 EXHIBITS

6 Plaintiff's  
7 Exhibits Description Page  
8  
9 41 A memorandum of understanding 73  
10 between CGI and Affordable  
Housing Innovators, Inc.

11

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C E R T I F I C A T E

4

STATE OF NEW YORK )

5

) ss.

6

COUNTY OF NEW YORK )

7

I, MARGARET M. HARRIS, a Shorthand

8

(Stenotype) Reporter and Notary Public of

9

the State of New York, do hereby certify

10

that the foregoing Deposition, of the

11

witness, LESLIE PIERCE, taken at the time

12

and place aforesaid, is a true and correct

13

transcription of my shorthand notes.

14

I further certify that I am neither

15

counsel for nor related to any party to

16

said action, nor in any wise interested in

17

the result or outcome thereof.

18

IN WITNESS WHEREOF, I have hereunto

19

set my hand this 29th day of July, 2013.

20

21

---

MARGARET M. HARRIS

22

23

24

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